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Washington, DC

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March 24, 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

The Honorable Andrew C. Barrett  
Commissioner  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: MM Docket No. 92-266

Dear Commissioner Barrett:

During yesterday's meeting to review Telecommunications, Inc.'s comments in the rate regulation docket, you inquired about TCI's accounting practices with respect to equipment such as converters and remotes.

As Bob Thomson indicated, TCI does not maintain the kinds of cost accounting records that typically are employed by public utilities. As a result, it does not have an estimate of the "fully loaded" costs of the equipment.

For financial accounting purposes, TCI treats converters and remotes as a unit and amortizes the direct cost over five years. As a very rough approximation, ten percent of TCI's converters and remotes are taken out of service each year due to theft, breakage, and obsolescence. Where feasible, converters and remotes are refurbished and/or repaired and returned to service. Historically, TCI has expensed rather than capitalized these costs as well as the related costs associated with retrieval and reinstallation of the equipment.

I hope that this information is responsive to your question.

Sincerely,

*Philip L. Verveer/nhs*

Philip L. Verveer

PLV:nhs

cc: Ms. Donna R. Searcy

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